

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2083 - HB 2051

March 5, 2009

SUMMARY OF BILL: Enacts the "Tennessee Solid Waste Commodity Management and Community Recycling Enhancement Act of 2009" which regulates the type of solid waste that can be deposited in landfills across the state. The bill also provides for six local recycling pilot programs. Requires a 75 percent reduction in the amount of solid waste disposed of in certain landfills by June 30, 2017. Establishes a recycling fee to be paid by newspapers beginning in 2013. Establishes a dedicated fund from which recycling programs and initiatives could be funded, including grants provided to local governments. The fund would receive funds from appropriations and from the newspaper recycling fee established by the bill. Requires the Department of Environment and Conservation (TDEC) to expand the state office recycling program to include all buildings owned or leased by the state by July 1, 2010.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$160,000

**Increase State Expenditures – \$455,100/Recurring
\$100,700/One-Time**

Decrease Local Revenue – Net Impact – Exceeds \$1,000,000

Increase Local Expenditures – Exceeds \$1,000,000*

Assumptions:

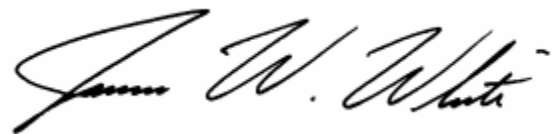
- Based upon estimates provided by TDEC, the newspaper recycling fee created by the bill will generate at least \$160,000 if the newspapers do not meet the exemption levels found in the bill.
- If \$160,000 is generated by the recycling fee, TDEC will issue grants totaling \$160,000.
- TDEC will require two new positions to develop and coordinate the grant program established by the bill.

- The recurring cost including for salary and benefits for these two positions is \$132,200. The one-time expenditure for supplies associated with the positions is \$7,200.
- TDEC will require two new positions to fully implement the state recycling program at the 376 leased and 135 state-owned facilities. The recurring cost for salary and benefits for these two positions is \$162,900. The one-time expenditure for supplies associated with the positions is \$7,200.
- One-time equipment costs associated with the expanded state recycling program are estimated to be approximately \$86,300 (2 paper cart bins for each of 411 facilities at \$70 each $2 \times \$70 \times 411 = \$57,540$), (2 beverage container bins at each of the 411 facilities at \$20 each $2 \times \$20 \times 411 = \$16,440$), (10 desk side bins at each of the 411 facilities at \$3 each $10 \times \$3 \times 411 = \$12,330$).
- According to the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), local governments will experience a decrease in revenue due to no longer receiving tipping fees from items that are recycled instead of placed in landfills. This decrease is estimated to exceed \$1,000,000.
- An increase in local government revenue due to revenue received for recycled items. Due to multiple unknown factors a precise impact to local governments cannot be quantified.
- Local governments will experience an increase in expenditures exceeding \$1,000,000 for the establishment and maintenance of recycling programs.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/cce